

EXHIBIT Y

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 - - - - - x

4 In the Matter

5 IRVING H. PICARD, TRUSTEE

6 FOR THE LIQUIDATION OF B, Adv. Case No. 10-04377-SMB

7 Plaintiff,

8 VS.

9 NELSON, ET AL.

10 Defendants.

11 - - - - - x

12 In the Matter

13 IRVING H. PICARD, TRUSTEE

14 FOR THE LIQUIDATION OF B, Adv. Case No. 10-04658-SMB

15 Plaintiff,

16 VS.

17 NELSON, ET AL.

18 Defendants.

19 - - - - - x

20 United States Bankruptcy Court

21 One Bowling Green

22 New York, New York 10004-1408

23 May 9, 2019

24 2:00 PM

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1 B E F O R E :

2 HON. STUART M. BERNSTEIN

3 U.S. BANKRUPTCY JUDGE

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1 HEARING RE: Adversary Proceeding: 10-04377-smb, Irving H.
2 Picard, Trustee for the Liquidation of B v Nelson, et al.,
3 Trial.

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5 HEARING RE: Adversary Proceeding: 10-04377-smb, Irving h.
6 Picard, Trustee, for the Liquidation of B v. Nelson, et al.,
7 Trial.

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25 Transcribed by: Pamela A. Skaw and Tracey Williams

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1 MS. DAVIS CHAITMAN: Roy, if you'd be good enough to
2 pull up DX-Y.

3 (Pause)

4 MS. DAVIS CHAITMAN: And if you could go to the
5 first page. Yeah. Thank you.

6 (Pause)

7 BY MS. DAVIS CHAITMAN:

8 Q This is in DX-Y. It's a compilation of global
9 electronic funding reports and if you look -- this one has a
10 Bates number of MADTSS01293772.

11 And if you look, this document is dated
12 January 2nd, 2007; do you see that?

13 A I do.

14 Q And the account number is listed ending in 509; do you
15 see that?

16 A Yes. I do.

17 Q And do you see that the account name is in Bernard L.
18 Madoff?

19 A Yes. I do.

20 Q Okay.

21 MS. DAVIS CHAITMAN: And can you go to the next
22 document?

23 THE COURT: Can I ask you what exhibit -- how is
24 this Exhibit marked? I don't see the markings
25 (indiscernible).

1 MS. DAVIS CHAITMAN: This is DX-Y, Exhibit DX-Y.

2 THE COURT: Okay. Thank you.

3 MS. DAVIS CHAITMAN: And I'm not going through
4 every document in that Exhibit but I'm going through a bunch
5 of them.

6 THE COURT: I just didn't see the exhibit marking
7 so it's identified.

8 MS. DAVIS CHAITMAN: Okay.

9 THE COURT: All right.

10 (Pause)

11 BY MS. DAVIS CHAITMAN:

12 Q Okay. This is statement dated December 18th, 2006 for
13 the 509 account. It's also in the name of Bernard L.
14 Madoff; do you see that?

15 A I do but I wouldn't refer to this as a statement for
16 the 509 account.

17 Q Okay.

18 A It's a document related to but I wouldn't call this a
19 statement.

20 Q Right. You're right. It's an electronic funding
21 report.

22 A Right. That's the title of it.

23 Q Right.

24 Without going through these, which I'm prepared to do
25 because they're in DX-Y, would you agree, Ms. Collura, that

1 the 509 account was always maintained, according to J.P.

2 Morgan Chase's records in the name of Bernard L. Madoff?

3 A No. I would not agree with that.

4 Q Okay. Then, let's keep going.

5 Here's a document which is dated October 5th, 2005.

6 It's Bates number MADTSS01338921. And this shows that the

7 509 account is in the name of Bernard Madoff as of

8 October 5th, 2005; do you agree?

9 A Well, that's what this document shows. I -- if you
10 have a copy of a statement, not for this -- for this time
11 period, yes, for 2005, the name on the monthly statement for
12 the 509 account will be different.

13 Q Okay. We'll go through that.

14 A Okay.

15 MS. DAVIS CHAITMAN: Can you pull up the next one,
16 please?

17 BY MS. DAVIS CHAITMAN:

18 Q This is dated December 3rd, 2005 and, again, it's a
19 electronic funding report and it lists the name of the 509
20 account as Bernard L. Madoff; do you see that?

21 A Yes. That's what's on this document.

22 Q Okay. Okay.

23 Well, are you prepared, just to expedite this slightly,
24 that -- to agree that every electronic funding report is in
25 the name of Bernard L. Madoff?

1 MS. DAVIS CHAITMAN: It begins MAD and it ends
2 with 74945.

3 THE COURT: Thank you.

4 BY MS. DAVIS CHAITMAN:

5 Q And you would agree that this shows Bernard Madoff on
6 this statement as being the owner of the 509 account, right?

7 A This document has Bernard L. Madoff on it but I
8 wouldn't say that that indicates the holder of the account.

9 The monthly statement for the 509 account would
10 indicate that.

11 Q Okay.

12 MS. DAVIS CHAITMAN: Can you go, please, Roy, to
13 DX-AA -- just DX-AA?

14 (Pause)

15 BY MS. DAVIS CHAITMAN:

16 Q Okay. This is a statement and this is actually, I
17 believe, the very last statement that was sent out by
18 J.P. Morgan Chase, right?

19 A I think that there were statements in 2009.

20 Q Okay.

21 Well, this covers the last period of when he was
22 operating?

23 A Correct.

24 Q Is that fair to say? Okay.

25 A Yes. That's fair.

1 Q And the name of the account is Bernard L. Madoff
2 Investment Securities; do you see that?

3 A I do.

4 Q It doesn't say LLC; does it?

5 A There's no LLC on the name here. No.

6 Q Okay.

7 And would you agree with me that you've never seen a
8 J.P. Morgan Chase monthly statement which read as the owner
9 of the account Bernard L. Madoff Investment Securities, LLC?

10 A Not for the 509 account.

11 Q You would agree with me that you have not seen it?

12 A There -- I think there were some other bank accounts
13 that were held in the name with LLC.

14 Q Just answer my specific question. You'll have an
15 opportunity on redirect to say whatever you'd like. But
16 just answer my questions.

17 Did you ever see a statement from the 509 account that
18 listed Bernard L. Madoff Investment Securities, LLC as the
19 holder of the account?

20 A No.

21 Q Thank you.

22 MS. DAVIS CHAITMAN: Would be good enough to pull
23 up DX-E?

24 (Pause)

25 BY MS. DAVIS CHAITMAN:

1 Q Now, this is a December 1, 2000 statement for the 703
2 account; do you see that?

3 A I do.

4 Q And this is in the name of Bernard L. Madoff; is it
5 not?

6 A It is.

7 Q Okay.

8 MS. DAVIS CHAITMAN: And, Roy, can you go to the
9 next document, please?

10 (Pause)

11 BY MS. DAVIS CHAITMAN:

12 Q This is a statement as of December 31, 2001 and this is
13 also for the 703 account; is it not?

14 A It is.

15 Q And this is in the name of Bernard L. Madoff; isn't
16 that true?

17 A It's true.

18 Q And do you recall the date when the LLC was formed?

19 A January 2001.

20 Q Okay. So, this is 11 months later and the account is
21 in the name of Bernard L. Madoff; isn't that right?

22 A Yes, that's right.

23 Q Okay.

24 MS. DAVIS CHAITMAN: Roy, can you go to the next
25 document, please?

1 (Pause.)

2 BY MS. DAVIS CHAITMAN:

3 Q Here's a statement dated December 31, 2002, for the 703
4 account, right?

5 A Correct.

6 Q And it says Bernard L. Madoff Investment Securities; do
7 you see that?

8 A I do.

9 Q There's no LLC, right?

10 A There's no LLC.

11 MS. DAVIS CHAITMAN: Can you go to the next
12 statement, please?

13 (Pause)

14 BY MS. DAVIS CHAITMAN:

15 Q This is a statement dated December 31, 2003. Same
16 thing. This account is not in the name of the LLC; is it?

17 A There's no LLC on the account name.

18 Q Okay.

19 MS. DAVIS CHAITMAN: Can you go to the next
20 statement, please, Roy?

21 (Pause)

22 BY MS. DAVIS CHAITMAN:

23 Q Here we are on December 31st, 2004. There's no LLC in
24 the account holder's name; is there?

25 A No.

1 MS. DAVIS CHAITMAN: Can you go to the next
2 statement, please?

3 (Pause)

4 BY MS. DAVIS CHAITMAN:

5 Q This is December 30th, 2005. There's no LLC in the 703
6 account statement's holder, the holder's name, is there?

7 A No.

8 MS. DAVIS CHAITMAN: Can you go to the next
9 document, please?

10 (Pause)

11 BY MS. DAVIS CHAITMAN:

12 Q This is December 29th, 2006. Same question. Same
13 answer?

14 A There's no LLC.

15 Q Thank you.

16 MS. DAVIS CHAITMAN: Can you go to the next
17 document, please, Roy?

18 (Pause)

19 BY MS. DAVIS CHAITMAN:

20 Q This is December 2007; do you see that even as of
21 December 31, 2007, the name of the account is Bernard L.
22 Madoff Investment Securities without LLC. Do you see that?

23 A I see that.

24 (Pause)

25 MS. DAVIS CHAITMAN: Roy, can you bring up DX-Y?

1 (Pause)

2 BY MS. DAVIS CHAITMAN:

3 Q Now, this is a --

4 THE COURT: Could you identify it with Bates
5 number please because these documents are all compilations
6 of various --

7 MS. DAVIS CHAITMAN: Sure.

8 THE COURT: -- information.

9 MS. DAVIS CHAITMAN: It's in the documents --

10 THE COURT: They're not necessarily all
11 (indiscernible).

12 MS. DAVIS CHAITMAN: Sure. It's MADTSS01284251.
13 It's in the lower right hand corner of the document.

14 Can you see it?

15 THE COURT: I can see it.

16 MS. DAVIS CHAITMAN: Okay.

17 BY MS. DAVIS CHAITMAN:

18 Q Does this document indicate that it's in the name of
19 the LLC?

20 A This is a document related to the 509 account and the
21 account name on this document is listed just as Bernard L.

22 Q But you would agree that the 509 account was always in
23 the name of the LLC -- of Bernard L. Madoff, not the LLC,
24 right?

25 A Well, no. The 509 account was in the name of Bernard

1 L. Madoff until September 2002 when it changed to Bernard L.
2 Madoff Investment Securities.

3 Q Okay. The 509 account was never changed to Bernard L.
4 Madoff Investment Securities, LLC; was it?

5 A That was never on the statements.

6 Q Okay.

7 Now, you understand that at the time the LLC was
8 formed, since Madoff was operating as a sole proprietorship,
9 prior to that time, if he'd wanted to do business with banks
10 as the LLC, he had to send them written notice that he was
11 changing the name on the account; isn't that true?

12 A I can't opine on that. I don't know that.

13 Q Okay.

14 MS. DAVIS CHAITMAN: Can you pull up DX-U, please?

15 BY MS. DAVIS CHAITMAN:

16 Q This is a document which is dated July 17th --

17 MS. DAVIS CHAITMAN: Do you want me to read the
18 Bates number? I'll read --

19 THE COURT: If it's a one page document, that's
20 fine.

21 MS. DAVIS CHAITMAN: Okay.

22 BY MS. DAVIS CHAITMAN:

23 Q This is DX-U. It's dated July 17, 1991 and it's on the
24 letterhead Bernard L. Madoff Investment Securities.

25 So, you're aware that Madoff was using that trade name

1 as far back as 1991, right?

2 A I'd seen Bernard L. Madoff Investment Securities, this
3 logo, on documents back --

4 Q In the period --

5 A Yeah.

6 Q -- long, long before the LLC was formed; isn't that
7 true?

8 A I've seen this logo on the documents prior to the LLC
9 being formed, yes.

10 Q Okay.

11 MS. DAVIS CHAITMAN: Can you pull up, please, Roy,
12 DX-HC to LT?

13 (Pause)

14 BY MS. DAVIS CHAITMAN:

15 Q If we can quickly run through these checks.

16 Ms. Collura, I'd just like you to agree with me as to
17 the account holder as reflected on the documents, okay?

18 So, here's one as of March 29th, 1999, this is a check
19 to the Nelsons and it's from the account of Bernard L.
20 Madoff; isn't it not?

21 A Yes.

22 Q Okay.

23 A In the 509 account. Yes.

24 Q Okay.

25 MS. DAVIS CHAITMAN: Roy, you can move through

1 those. Okay.

2 Thank you. This is perfect.

3 BY MS. DAVIS CHAITMAN:

4 Q Here's a check dated March 26, 2008, same name on the
5 check, right? Bernard L. Madoff.

6 A Yes.

7 Q Okay.

8 A But if you'd look at the statements, it would say
9 Bernard L. Madoff Investment Securities.

10 Q I -- it's wonderful that you repeat that. I get that
11 point.

12 THE COURT: Well, you keep asking her the same
13 question.

14 MS. DAVIS CHAITMAN: I know. That's true. But
15 it's a different document, Your Honor.

16 THE COURT: It's the same question.

17 MS. DAVIS CHAITMAN: I can rephrase it each time.
18 It'll take me a little longer but --

19 THE COURT: You try your case.

20 MS. DAVIS CHAITMAN: Would you, Roy, bring up
21 DX-HW, please?

22 (Pause)

23 BY MS. DAVIS CHAITMAN:

24 Q Now, I want to go through the checks that the Nelsons
25 sent into Madoff and if you looked -- I'm sure you looked at

1 these, didn't you, when you went through to do your report?

2 A Yes, I did.

3 Q Okay. And this is a check dated March 15th, 2002 and
4 it was made out to Bernard L. Madoff Securities; do you see
5 that?

6 A Yes.

7 Q Okay.

8 MS. DAVIS CHAITMAN: Roy, can you go to something
9 in 2003?

10 (Pause)

11 MS. DAVIS CHAITMAN: Oh, excuse me. Before you do
12 that.

13 BY MS. DAVIS CHAITMAN:

14 Q Look at the endorsement on this check. It says -- do
15 you see how it says pay to the order of Chase Manhattan Bank
16 for deposit only Bernard L. Madoff?

17 A Yes.

18 Q And you looked at the endorsements on the back of the
19 checks; didn't you?

20 A It wasn't so relevant to me for deposited checks. That
21 was -- I really used those endorsements for tracing checks
22 that were written from BLMIS.

23 But I'm -- you know, clearly, this is an endorsement
24 from BLMIS depositing it into their 703 account.

25 Q Well, it says pay to the order of Chase Manhattan Bank

1 for deposit only Bernard L. Madoff; do you see that?

2 A I do.

3 Q Okay.

4 MS. DAVIS CHAITMAN: Can you go to the -- the
5 next check, please?

6 (Pause)

7 BY MS. DAVIS CHAITMAN:

8 Q This is February 14th, 2003 and, again, it was made --

9 MS. DAVIS CHAITMAN: Oh, you know what? I'm
10 looking for the checks that are from the Nelsons to Madoff.
11 Sorry.

12 (Pause)

13 MS. DAVIS CHAITMAN: There you go. We're
14 skipping.

15 BY MS. DAVIS CHAITMAN:

16 Q Here's one in January of 2008 and it's from Carol and
17 Stanley Nelson and it's also made out to Bernard Madoff
18 Securities; do you see that?

19 A I do.

20 Q And the stamp says for deposit only Bernard L. Madoff;
21 do you see that?

22 A Yes.

23 (Pause)

24 MS. DAVIS CHAITMAN: Can you pull up DX-HW,
25 please?

1 (Pause)

2 MS. DAVIS CHAITMAN: This is a -- we actually
3 looked at this. This is the 2002 check that was deposited
4 into Bernard L. Madoff's account.

5 Can you pull up DX-JX, please, Roy?

6 (Pause)

7 BY MS. DAVIS CHAITMAN:

8 Q Okay. This is one dated January 15th, 2008 from the
9 Nelsons to Bernard Madoff Securities and, again, it was for
10 deposit only Bernard Madoff; do you see that?

11 A Yes.

12 Q Okay.

13 (Pause)

14 BY MS. DAVIS CHAITMAN:

15 Q Now, you understand that when a corporate name is
16 changed that you have to notify any holder of any bank that
17 the company is doing with that the -- there's been a change
18 in the name; isn't that true?

19 A I'm not -- but I'm not -- I can't opine --

20 Q You're not aware that?

21 A -- on that.

22 Q Okay.

23 MS. DAVIS CHAITMAN: Can you pull up DX-L,
24 please?

25 (Pause)